



DEPARTMENT OF STATE AND OTHER INTERNATIONAL PROGRAMS

Funding Highlights:

- The Department of State, the U.S. Agency for International Development (USAID), and other international programs promote the national security and economic prosperity of the United States by advancing diplomacy, security, and fair economic competition.
- The Budget for the United States' international programs advances the Nation's strategic objectives, including those outlined in the National Security Strategy of the United States. The Budget supports new tools to allow the United States to respond flexibly to international challenges, as well as organizational reforms to increase agency effectiveness. These reforms prioritize the efficient use of taxpayer dollars and increased burden-sharing to rebalance U.S. contributions to international organizations.
- The Budget requests \$40.0 billion for the Department of State and USAID, a \$12.3 billion or 23-percent decrease from the 2019 estimate. The Budget also requests \$1.6 billion for Department of the Treasury international programs, approximately equal to the 2019 estimate.

The President's 2020 Budget:

The President's Budget supports the Department of State, USAID, and other international programs to protect U.S. citizens, increase American prosperity, and advance the development of democratic societies. The Budget provides the necessary resources for the United States to expand its influence and safeguard its economic interests, even as competition from rising powers increases. To achieve this, the Budget invests in new capabilities to defend American interests and values across the security, trade, and information domains. The Budget supports America's reliable allies, but reflects a new approach toward countries that have taken unfair advantage of the United States' generosity. The Budget restores fiscal discipline by eliminating ineffective programs and initiating wide-reaching agency reforms. The Budget also recalibrates American contributions to international organizations to a more sustainable level, maintaining American leadership while asking other nations to increase participation. Through the strategic, efficient use of resources, the Budget would reduce spending while adapting U.S. international agencies to the current era and providing better results for the American people.

Supports More Effective American Diplomacy

Supports the U.S. Diplomatic Presence to Advance America's Interests and Protect National Security. The Budget requests \$4.7 billion for diplomatic programs supporting

Department of State professionals working every day to achieve U.S. foreign policy objectives and advance American interests through a network of 277 embassies, consulates, and diplomatic missions around the world. This funding level sustains and invests in the State Department's workforce, allowing the Department to recruit and develop its personnel to meet high priority needs while promoting efficient operations. The Budget would enable the Department to continue modernizing its information technology platform to allow its workforce to do their jobs efficiently, effectively, and securely. In addition, the Budget includes \$3.8 billion for consular and border security programs, financed through fee collections, to carry out passport and visa functions. This critical component of U.S. border security protects the American people while facilitating legitimate travel. The Budget also requests \$1.3 billion for USAID operating expenses to support USAID personnel in 87 missions.

Prioritizes Embassy Security to Protect Diplomats and Staff. The Budget requests \$4.7 billion to protect overseas personnel and facilities, including the Department's share of the \$2.2 billion requested Government-wide for new, secure embassy construction, as recommended by the Benghazi Accountability Review Board. This security funding supports the protection of every U.S. diplomatic mission and the thousands of employees who serve U.S. interests overseas in dangerous and challenging security environments. With the proposed level of funding, the Department of State would continue to protect American personnel representing more than 30 agencies, as well as provide services to Americans overseas, in a safe and secure environment.

Supports Strategic Partners and Diplomatic Progress. The Budget fully supports the U.S.-Israel Memorandum of Understanding and includes \$3.3 billion in Foreign Military Financing grant assistance to bolster Israel's capacity to defend itself against threats in the region and maintain its qualitative military edge. The Budget also fully supports the U.S.-Jordan Memorandum of Understanding and the U.S. diplomatic and security partnership with Egypt. The Budget includes a Diplomatic Progress Fund, which would allow the United States to incentivize and take advantage of diplomatic openings and opportunities to advance the Nation's foreign policy priorities as they arise. This Fund provides flexibility to respond to improved engagement from governments for which the Budget has not proposed specific bilateral funding, such as non-security assistance for the West Bank and Gaza, should diplomatic progress be achieved in support of U.S. objectives and regional peace. The Administration continues to assess how best to advance regional peace and stability, counter destabilizing activities and influence, and ensure resources are appropriately aligned with U.S. national security and economic interests. The Budget also continues robust assistance to support religious and ethnic minorities across the Middle East and elsewhere.

Supports a Peaceful Resolution to the Afghan Conflict. The Budget provides \$533 million for assistance to Afghanistan. The Budget prioritizes economic growth and reconciliation, investments to help Afghanistan to work toward peace. The Budget supports programs that target private-sector led economic growth, including by increasing the country's export capability and attracting international investment. The Budget also supports education, health, governance, and other sectors that are necessary for a stable and thriving Afghanistan.

Emphasizes Great Power Competition

Advances a Free and Open Indo-Pacific. The Nation's future security, prosperity, and leadership depends on maintaining a free and open Indo-Pacific region. The Budget provides over \$1 billion for the Indo-Pacific, reflecting the Administration's commitment to the region. This funding supports democracy and good economic governance, private sector mobilization and competitiveness, critical infrastructure standards and financing, and security cooperation. The new Development Finance Corporation's (DFC) work in the region will also advance U.S. strategy by leveraging private sector capital in much needed, high-quality regional infrastructure. Together, these programs ensure that

the United States remains the preferred security and economic partner in the region.

Counters Russian Malign Influence. The Budget provides over \$500 million for assistance to Europe, Eurasia, and Central Asia to: advance shared security; safeguard the territorial integrity of U.S. allies; support partner countries' efforts to transition away from Russian military equipment, particularly through Foreign Military Finance lending; and address weaknesses in the macro-economic environment that the Government of Russia seeks to exploit, such as dependence on energy and trade.

"We believe that when nations respect the rights of their neighbors, and defend the interests of their people, they can better work together to secure the blessings of safety, prosperity, and peace."

President Donald J. Trump
September 25, 2018

Advances Fair and Reciprocal Trade. The Budget increases funding for the Office of the U.S. Trade Representative (USTR) in support of the President's trade agenda. The Administration has renegotiated outdated agreements with Canada, Mexico, and South Korea, and is pursuing new agreements with the European Union, Japan, and the United Kingdom. These efforts will help ensure that fair trade grows the economy and supports jobs at home. The Administration further protects American workers and businesses by identifying trade violations and pursuing enforcement options to end abuses. Robust support for USTR would also help support implementation of the Foreign Investment Risk Review Modernization Act, which helps protect U.S. businesses and technology from intellectual property theft.

Supports Fair Competition for American Exporters. The Budget supports a fully functioning Export-Import Bank (ExIm) to implement reforms and help American exporters compete in an increasingly unfair global marketplace. The Budget ensures ExIm would be able to help correct market failures, especially by supporting small businesses, sectors with national security importance, and American companies with foreign-government supported competitors.

Makes Programs More Effective While Increasing Burden Sharing

Maintains U.S. Global Humanitarian Leadership while Expecting Others to Do More. The Budget requests significant humanitarian assistance resources that would enable the United States to remain the largest single humanitarian donor in the world. These resources would address major humanitarian crises, including those driven by conflict, such as in Syria, Yemen, and Iraq. The Budget continues the new approach to relief announced in the 2019 Budget to influence other donors to give a greater funding share and to demand improved performance by United Nations (UN) and other implementers in order to maximize benefits for recipients. The new approach strives for greater accountability by international partners along with donor burden sharing that is more balanced, while reducing suffering and meeting the needs of refugees and displaced persons close to their homes until they can return safely. As conflict-based crises increase and force multiple displacements of populations within and outside their national borders, the Budget proposes to adapt and significantly improve America's ability to respond flexibly by consolidating all overseas humanitarian assistance in a single account so that funds can adjust as needed to reach affected persons. U.S. refugee admissions will continue to be funded through the Migration and Refugee Assistance account, a separate State Department account.

Pushes Multilateral Organizations Toward Fairer Burden Sharing and Advancing U.S. Interests. The Budget supports the aims of the National Security Strategy that the United States will "compete and lead in multilateral organizations so that American interests and principles are

protected” and therefore “will prioritize [our] efforts in those organizations that serve American interests...” but “where existing institutions and rules need modernizing, the United States will lead to update them.” In line with these objectives, the Budget prioritizes U. S. contributions to organizations that most closely align with American interests. The Administration continues to seek greater transparency and reform across the multilateral sphere, including by strategically assessing United Nations peacekeeping missions and demanding increased efficiency and effectiveness from all international organizations, while also seeking a more equitable distribution of financial responsibility.

Maintains U.S. Leadership at Multilateral Development Banks (MDBs). The Budget requests \$1.6 billion in funding for MDBs, including a new commitment for the World Bank’s International Bank for Reconstruction and Development where the United States remains the largest shareholder. As a leading donor, the United States demands financial discipline, high performance and accountability, fair burden sharing, and strategic investments that serve U.S. development, foreign policy, and national security goals.

Continues U.S. Leadership Against HIV/AIDS, and Mobilizes Others to Contribute More. For the next replenishment of the Global Fund to Fight AIDS, Tuberculosis and Malaria, the Budget offers to match \$1 for every \$3 pledged by other donors, providing a \$1.1 billion contribution in 2020 and up to \$3.3 billion over the three-year replenishment period, using unmatched funds appropriated by the Congress for 2019 from the last replenishment. This new match will support a global target of \$13.2 billion, an increase from the previous replenishment, and challenges other donors to make significant new commitments to fighting the three diseases. The Budget also provides \$3.4 billion for the U.S. President’s Emergency Plan for AIDS Relief (PEPFAR), fully funding the final year of the Administration’s *Strategy for Accelerating HIV/AIDS Epidemic Control (2017-2020)*, when coupled with additional resources appropriated by the Congress in 2019. With these resources, PEPFAR would provide lifesaving support in more than 50 countries, maintain all current patients on treatment, and continue the United States’ position as the world’s top HIV/AIDS donor.

Protects the United States and the World From Infectious Disease Through the Global Health Security Agenda (GHSA). To prevent, detect, and respond to infectious disease threats before they reach U.S. borders, the Budget continues significant support through a renewed commitment for the next five-year phase of GHSA. This commitment would bolster an international partnership to reduce the likelihood of outbreaks abroad and strengthen the capacity of countries to respond. The Budget also requests more than \$2 billion for lifesaving programs to address maternal and child health, family planning, nutrition, malaria, neglected tropical diseases, and for the U.S. contribution to Gavi, the Vaccine Alliance. The Budget prioritizes resources to combat tuberculosis, the most lethal infectious disease in the world, with an emphasis on drug-resistant tuberculosis through a new business model that promotes sustainable partnerships with local organizations.

Reorganization and Reform: Supports New Tools and Needed Reforms

Strengthens U.S. Allies and Bilateral Security Relationships by Helping Partner Countries Buy More U.S. Defense Articles and Services. The Budget proposes to expand the U.S. Government’s toolkit for financing U.S. defense sales by requesting expanded authority to provide Foreign Military Financing (FMF) loans. New for 2020, the Budget requests interest rate flexibility for the FMF direct loan program to make U.S. defense equipment a more competitive and more affordable option for partner countries. The Budget also requests authority to provide partial U.S. Government-backed loan guarantees to incentivize the private sector to fill the defense financing gap, reducing the risk to U.S. taxpayers. This reformed FMF loan program would serve to complement the Budget’s request for \$5.4 billion in FMF grant assistance so that America can still be the defense supplier of choice for partner countries for which loans are not the best option. This expanded set of

FMF tools would help support increased U.S. defense sales and increase opportunities for allies and partners to build their militaries around U.S. innovation and quality.

Implements New Development Finance Legislation to Increase U.S. Influence. On October 5, 2018, the President signed into law the Better Utilization of Investments Leading to Development Act. The legislation consolidates, modernizes, and reforms the U.S. Government’s “development finance” capabilities—primarily, the Overseas Private Investment Corporation and USAID’s Development Credit Authority—into the U.S. International DFC, consistent with the Administration’s *Delivering Government Solutions in the 21st Century* reform plan. For its first year in operation, the Budget provides \$300 million to the DFC for its operations and to extend loans, guarantees, and political risk insurance. This amount also supports a new equity investment program and other support to facilitate private-sector investment in emerging markets that would have positive developmental impact. These are transactions that the private sector will not undertake on its own. These tools would allow the U.S. Government to better partner with allies and deliver financially-sound alternatives to state-led initiatives from countries like China.

Optimizes Fragmented and Outdated Humanitarian Assistance Structure. In its *Delivering Government Solutions in the 21st Century* reform plan, the Administration committed to make fundamental changes to optimize the effectiveness of the Nation’s fragmented and outdated humanitarian assistance structure. In addition to the previously-announced merger of USAID’s humanitarian offices, the Budget consolidates the overseas humanitarian assistance programming currently conducted by the Department of State into the new bureau at USAID. In addition, all humanitarian assistance would be funded through a single, flexible appropriations account. This reorganization builds on each organization’s comparative advantages by leveraging USAID’s program implementation and partner oversight expertise with the State Department’s expertise on humanitarian policy, diplomacy, and refugee issues. The Budget pairs this restructuring with a high-level, dual-hat humanitarian leadership structure at the Department of State and USAID under the authority of the Secretary of State. The Department of State would continue management and implementation of the U.S. Refugee Admissions Program through the Migration and Refugee Assistance account. This restructuring and consolidation would facilitate dynamic funding allocations and program coordination across refugees abroad, those displaced within their own country, and other victims as conflict-driven crises evolve. This restructuring is critical to establishing a strong, unified U.S. voice that can extract optimal UN reforms and deliver long-overdue optimal outcomes for beneficiaries and taxpayer dollars.

Transforms USAID and Promotes Self-Reliance. The Budget reflects the Administration’s goal of reducing the long-term need for foreign assistance by helping partner countries become self-reliant. The Budget prioritizes investments in private-sector led growth, domestic resource mobilization, and economic and governance reforms, informed by objective metrics and roadmaps that track progress and identify areas for emphasis. These programs aim to catalyze sustainable economic growth in recipient countries, and to allow countries to solve their own development challenges. The recently launched Women’s Global Development and Prosperity Initiative represents the type of responsible spending the Administration seeks to achieve, through establishing a cohesive whole-of-government approach to women’s economic empowerment, tracking rigorous metrics, and leveraging partners’ resources to achieve shared goals. In addition, the Budget supports implementation of the comprehensive set of reforms outlined in the Administration’s *Delivering Government Solutions in the 21st Century* reform plan, including a major structural reorganization of USAID to strengthen core capabilities, increase efficiency, and reduce costs. This also includes the creation of a small grants office that would consolidate the African Development Foundation and the Inter-American Foundation into USAID, thus elevating the small-grants function as a tool of development and diplomacy and sharing best practices with USAID.